

FY 2007 BUDGET AND CIP ADOPTION MOTIONS
ADOPTED APRIL 24, 2006 (Released 4/25/06)

Recommendation: That City Council approve the following motions:

- A. I move the adoption of General Fund operating budget overall expenditure levels of \$493,675,764 and revenue levels of \$493,675,764, which represents a 4.9% increase over the FY 2006 operating budget and reflects:
1. a City government General Fund operating budget of \$343,802,143, which incorporates \$9,317,567 in deletions from the FY2007 Proposed Budget, and represents a 3.6% increase over the adjusted FY 2006 City government operating budget.

Technical Expenditure Re-estimates to Proposed Budget

\$ 250,000	Increased costs for the medical services contract for jail inmates in the budget for the Office of Sheriff - Budget Memo #50
\$ 10,000	Increase for Northern Virginia Regional Park Authority FY 2007 budget request - Budget Memo #50
\$ (65,627)	Decrease in the Victim Witness Assistance Program of the Commonwealth Attorney due to higher than estimated grant funds to be received - Budget Memo #90
(\$340,000)	Decrease in Non-Departmental budget set-aside for City Employee Healthcare costs due to savings from reduction in MAMSI/United Healthcare premiums - Budget Memo #119
<u>\$ (145,627)</u>	Sub-total Technical Expenditure Re-estimates of City Operating Expenditures

Changes to Proposed City General Fund Operating Budget Expenditures

(\$ 63,170)	Deletion of proposed supplemental increase for Telecommunication Specialist position – Information and Technology Services (FY 2007 Proposed Operating Budget, p. 8-29)
(\$ 12,000)	Deletion of proposed supplemental increase for Board of Equalization Pay Increase – Department of Real Estate Assessments (FY 2007 Proposed Operating Budget, p. 8-65)
(\$ 50,000)	Deletion of proposed supplemental increase for Sister Cities Youth Conference – Non-Departmental budget (FY 2007 Proposed Operating Budget, p. 8-44)
(\$ 44,177)	Deletion of proposed supplemental increase for part-time fiscal analyst position – Court Service Unit (FY 2007 Proposed Operating Budget, p. 7-26)

- (\$124,791) Deletion of proposed supplemental increase for grants to human service non-profit organizations – The Alexandria Fund for Human Services (FY 2007 Proposed Operating Budget, p. 9-69 to 9-76)
- (\$ 79,579) Deletion of proposed supplemental request for Recreation Center Public Computer Labs – Department of Recreation, Parks and Cultural Affairs (FY 2007 Proposed Operating Budget, p. 9-134)
- (\$ 8,050) Deletion of proposed supplemental request for Buddy Ford Nature Center Sign and Expenses – Department of Recreation, Parks and Cultural Affairs (FY 2007 Proposed Operating Budget, p. 9-134)
- (\$ 20,000) Deletion of proposed supplemental request for Library computer equipment replacement fund– Alexandria Library (FY 2007 Proposed Operating Budget, p. 9-124)
- (\$ 40,000) Reduction in Saturday Hours – Finance Department (FY 2007 Proposed Operating Budget, Budget Overview, p. 22)
- (\$ 83,500) Elimination of one Senior Contract Administrator position – Finance Department (FY 2007 Proposed Operating Budget, Budget Overview, p. 22)
- (\$ 56,000) Elimination of funding for contracted web programming and support – Information Technology Services (FY 2007 Proposed Operating Budget, Budget Overview, p. 22)
- (\$ 72,000) Elimination of funding for a Lotus Notes computer programmer (FY 2007 Proposed Operating Budget, Budget Overview, p. 22)
- (\$150,000) Reduction of funding for computer equipment replacement – Information Technology Services (FY 2007 Proposed Operating Budget, Budget Overview, p. 22)
- (\$635,000) Decrease in funding for City Healthcare benefits due to increase in Health Insurance Co-Pays for City staff – Non-Departmental Budget (Budget Memo #51)
- (\$500,000) Decrease in funding for City Healthcare benefits due to increase in premium health insurance cost-sharing by City staff to 3.3% for current employees and 10% for employees hired on or after July 1, 2006 – Non-Departmental Budget (Budget Memo #51)
- (\$148,673) Deletion of proposed supplemental request for two Youth Services Program Specialist Positions (e.g., Roving Leaders) – Department of Recreation, Parks and Cultural Affairs (FY 2007 Proposed Operating Budget, p. 9-134 and Budget Memo #63). *This amount is proposed as a designation in the Contingent Reserves (see below)*
- (\$ 40,000) Deletion of proposed supplemental request for Strategic Plan review consultant costs – Non-Departmental Budget (FY 2007 Proposed Operating Budget, p. 8-47)

\$ 40,000	Increase for Parent Leadership Training Institute – Department of Human Services (Budget Memo #48). <i>Funded by decrease in Council Contingent Reserves (see below).</i>
\$ 5,000	Increase for Translator Services as needed for City Council Regular Legislative and Public Hearing Meetings – City Clerk and Clerk of Council
\$ 40,000	Increase for Bagged Leaf Collection – Department of Transportation and Environmental Services (Budget Memo #103)
\$ 100,000	Increase for National Historic Register Surveys of Old and Historic Alexandria and Parker Gray Districts – (Non-Departmental account) (Budget Memo #108)
\$ 350,000	Increase for Affordable Home Ownership Preservation Program (in Non-Departmental budget) (Budget Memo #137)

Changes and Reservations of Proposed Council Contingent Reserves

(\$ 40,000)	Decrease in contingent reserves to fund Parent Leadership Institute (see above).
\$ 52,000	<i>Reservation of \$52,000 in contingent reserves for possible increased Campagna Kids program costs to accommodate changes in School calendar (No addition)</i>
\$ 90,000	<i>Reservation of funds in contingent reserves for possible Economic Development Coordinator Staff position (No addition) (Budget Memo #78)</i>
\$ 148,673	<i>Reservation of funds in contingent reserves for two possible Youth Services Program Specialist Positions (e.g., Roving Leaders) (See above) (No addition)</i>

(\$1,631,940) Sub-total Change in City General Fund Operating Budget Expenditures

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| 2. | a FY 2007 transfer to the Capital Projects fund of \$4,579,105 which reflects \$7,540,000 in deletions from the FY 2007 Proposed CIP in FY 2007, |
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(See Item B below for details)

3. a transfer to the Schools of \$149,873,621 from the General Fund to the School Operating Fund, which reflects a 8.0% increase over the FY 2006 General Fund, as well as incorporates a net \$526,160 deletion from the FY 2007 City Manager's Proposed Budget,

**Change in Proposed Transfer to Alexandria City Public Schools
Operating Budget**

(\$600,000)	Decrease in the General Fund transfer to the Alexandria+ Schools Operating Budget for a total transfer of \$149,873,621 (FY 2007 Proposed Operating Budget, p. 10-3 to 10-12 and Budget Memos #10, 27, 28, 62, and 89)
\$ 73,840	Increase for School Operating Budget Transfer due to reestimate of Health Insurance Premium Increase - Budget Memo #89
<u>(\$526,160)</u>	

4. a COLA of 3.0% for City employees, including the City Manager, City Attorney, City Clerk and for City Council Aides, and the Mayor's Aides; approval of merit step increases for all eligible employees; approval of an increase of health care benefits including the proposed employee cost sharing of premiums and increased co-pays; approval of increased employer's share paid to the Virginia Retirement System, Old Public Safety Pension Plan, and the City Supplemental Retirement System, and allocate to departments funds budgeted in the Non-Departmental Account for the FY 2007 impact of the Public Safety Pay Benchmark results approved by City Council on November 12, 2005, and

5. a decrease in the FY 2007 revenue estimates of \$9,198,546 which incorporates both the \$1,500,000 in added revenues due to re-estimates, \$175,000 for an increase in the asset limit for the Senior and Disabled Real Estate Tax Program, as well as a \$10,523,546 decrease in projected revenues due to a 10-cent decrease in the real estate tax rate to 81.5 cents per \$100 per assessed value.

Technical Revenue Re-estimates to Proposed Budget (Budget Memo #52)

FY 2007

\$ 1.6 million	Increase in Personal Property Tax Revenue estimate on vehicles
\$ 1.0 million	Increase in Business License Tax Revenue estimate
\$ 0.3 million	Increase in estimate of interest income on General Fund investments

\$ 0.2 million Increase in Transient Lodging Tax Revenue estimate
 (\$1.5) million Decrease in estimate of Intergovernmental Revenues
 (\$0.1) million Decrease in estimate of Tobacco Tax Revenue
 (\$0.1) million Decrease in estimate of Admission Tax Revenue
\$ 0.1 million Increase in Developer Fees for site plan reviews
\$1.5 million Sub-total FY 2007 Technical Revenue Re-estimates

FY 2006

\$ 1.1 million Increase in Personal Property Tax Revenue estimate on vehicles
 \$ 1.0 million Increase in Business License Tax Revenue estimate
 \$ 1.0 million Increase in the estimation of Recordation Tax Revenue
 \$ 0.5 million Increase in estimate of interest income on General Fund investments
 \$ 0.2 million Increase in Transient Lodging Tax Revenue estimate
 (\$0.4) million Decrease in estimate of Utility Tax Revenue
 (\$0.1) million Decrease in estimate of Tobacco Tax Revenue
 (\$0.1) million Decrease in Restaurant Food revenues
(\$0.1) million Decrease in estimate of Admission Tax Revenue
\$ 3.1 million Sub-total FY 2006 Technical Revenue Re-estimates

\$ 4.6 million Total Technical Revenue Re-estimates

Changes in Proposed Real Estate Tax Revenues and Rate

\$ 5,161,024 Decrease in Real Estate Tax Revenues due to 10 cent tax rate reduction effective for the last payment in FY 2006
 \$10,523,546 Decrease in Real Estate Tax Revenues due to 10 cent tax rate reduction effective for both payments in FY 2007
 \$ 175,000 Decrease in Real Estate Tax Revenues due to increase in the asset limit to \$540,000 for the Senior and Disabled Real Estate Tax Relief program (effective July 1, 2006) – Budget Memo #22

\$15,859,570 Total Decrease in Real Estate Tax Revenues

B. I move the adoption of the FY 2007 to FY 2012 Capital Improvement Program totaling \$326,459,686 which, when compared to the FY 2007 to FY 2012 Proposed Capital Improvement Program reflects a reduction of \$5,003,773 over six years, and reflects deletions, postponements and rescheduling of certain capital projects and establishes planned funding levels for each of the six years of the capital plan.

Changes in Proposed Capital Improvement Program (CIP)

(\$ 500,000) Postpone funding until FY 2008 for Chinquapin Recreation Center preliminary project planning – (Proposed FY 2007 CIP p. 96-97)

- (\$ 500,000) Postpone funding until FY 2008 for the Space Management Program (Proposed FY 2007 CIP p. 133)
- (\$ 100,000) Postpone partial funding (\$100,000 of \$600,000) until FY 2008 for Capital Facilities Maintenance Plan (Proposed FY 2007 CIP p. 132)
- (\$ 75,000) Postpone funding until FY 2008 for the Emergency Operations Center (Proposed FY 2007 CIP p. 136)
- (\$ 125,000) Postpone funding until FY 2008 for the renovation and update of City's outdoor ball courts (Proposed FY 2007 CIP p. 107)
- (\$ 100,000) Postpone partial funding (\$100,000 of \$300,000) until FY 2008 for Alley Rehabilitation (Proposed FY 2007 CIP p. 181)
- (\$ 75,000) Eliminate funding for Miscellaneous Undergrounding (Proposed FY 2007 CIP p. 184)
- (\$ 262,500) Postpone funding until FY 2008 for Emergency Generators (Proposed FY 2007 CIP p. 136)
- (\$ 77,500) Postpone partial funding (\$77,500 of \$155,000) until FY 2008 for MH/MR/SA Residential Facilities (Group Homes) (Proposed FY 2007 CIP p. 135)
- (\$ 120,000) Postpone funding until FY 2008 for Fire Truck Lift replacement (Proposed FY 2007 CIP p. 133)
- (\$ 250,000) Postpone funding until FY 2008 for Park Drainage Improvements (Proposed FY 2007 CIP p. 107) (Budget Memo # 132)
- (\$ 75,000) Postpone funding until FY 2008 for Timberbranch Park Bridge (Proposed FY 2007 CIP p. 108)
- (\$ 300,000) Postpone funding until FY 2008 for Recreation, Parks and Cultural Affairs Capital Needs Assessment (Proposed FY 2007 CIP p. 114)
- (\$ 100,000) Eliminate funding for Sidewalk, Curb and Gutter program (Proposed FY 2007 CIP p. 176) (Budget Memo #46)
- (\$ 50,000) Postpone partial funding (\$50,000 of \$90,000) until FY 2008 for Bus Shelters (Proposed FY 2007 CIP p. 152)
- (\$ 250,000) Postpone partial funding (\$250,000 of \$350,000) until FY 2008 for Mt. Vernon Ave. Public Alley (Proposed FY 2007 CIP p. 180) (Budget Memo #44 and 131)
- (\$2,800,000) Postpone partial funding (\$2,800,000 of \$4,840,000) in FY 2007, and reschedule funding in the subsequent years as follows: \$2,800,000 in FY 2008; \$17,600,000 in FY 2009; \$22,000,000 in FY 2010; and \$4,400,000 in FY 2011 for the New Police Facility (Proposed FY 2007 CIP p. 128 to 130) (Budget Memo #39)
- (\$ 500,000) Postpone partial funding (\$500,000 of \$1,000,000) for Undergrounding Utilities in Old Town (Proposed FY 2007 CIP p. 184)

- (\\$ 630,000) Change designation of real estate tax for open space land acquisition from 1 cent per \$100 assessed value to 1 percent of the real estate taxes collected for a total of \$2,658,215 in FY 2007; \$2,764,543 in FY 2008; \$2,875,125 in FY 2009; \$2,990,130 in FY 2010; \$3,109,735 in FY 2011; and \$3,234,124 in FY 2012 (Proposed FY 2007 CIP p. 100-101) (Budget Memo #86).
- (\\$ 650,000) Eliminate partial funding (\$650,000 of \$3,000,000) for a New Fire Station preliminary design and land acquisition (Proposed FY 2007 CIP p. 133-134) on the assumption that the City would seek developer contributions through the Eisenhower West planning process (Budget Memo #120)

(\$7,540,000) Total Change in Cash Capital Contribution for Capital Improvement Program

	<u>ADOPTED</u>	<u>PROPOSED</u>
FY 2007	\$ 60,023,662	\$ 67,563,662
FY 2008	\$ 62,161,630	\$ 99,941,830
FY 2009	\$ 65,975,343	\$ 49,846,751
FY 2010	\$ 70,031,275	\$ 48,739,940
FY 2011	\$ 38,364,840	\$ 34,701,851
FY 2012	\$ 29,902,936	\$ 30,669,425
TOTAL	\$326,459,686	\$331,463,459

C. I move changes in the Proposed General Fund Unreserved Fund Balance Designations, resulting in a reduction of \$384,157.

Changes in Proposed Fund Balance Designations

- (\$1,800,000) Elimination of Fund Balance Designation for Schools Health Insurance Premiums - Budget Memo #89
- \$2,061,024 Application of Fund Balance to FY 2006 Operating Budget to Offset part of 10 cent Real Estate Tax Cut effective in 2nd half of FY 2006
- (\$ 645,181) Reduction in Fund Balance Designation for Use for FY 2007 General Fund Operating Budget
- (\$ 384,157) Decrease in Fund Balance Designations**